

Consumer Law Centre Victoria (CLCV)

**Report to the Advocacy Panel of the National Electricity Code Administrator (NECA)
Pursuant to Funding Agreement dated 21 February 2005
Application 81**

**CAPACITY BUILDING IN THE COMMUNITY SECTOR
REPORT 6**

1 January 2005 to 30 June 2005

1. Project Overview

The Capacity Building in the Community Sector Project (the **Project**) is made up of the following ongoing components:

- Network – maintaining a network of national stakeholders and continuing to develop mechanisms for information building and sharing.
- Education – facilitating delivery of information and conducting training sessions or conferences, as appropriate, to assist stakeholders in each state to participate in knowledge building.
- Advocacy – develop mechanisms for the delivery of collaborative advocacy in relation to the NEM.

2. Project Tasks Completed

2.1 Network

By early 2004 the Project had established a national network of consumer, welfare and environment organisations (**NEM Network**). By the end of 2004 the NEM Network had developed effective communication and knowledge building mechanisms via bi-monthly telephone conferences, an on-line chat group, contributions to the quarterly publication (*On the Wire*), face-to-face meetings and communications around written submissions.

During the reporting period, the Project Coordinator continued to develop communication between members of the NEM Network and to enhance the profile of the NEM Network:

- Some of this development occurred through participation in joint research and submission writing (see 2.3 below).
- The Project Coordinator also worked on planning for the hosting of a face-to-face roundtable to coordinate response to the MCE's Options Paper on Consistency in Economic Regulation in the NEM and used this planning as an opportunity to work with other NEM Network members. The roundtable will be held when the Options Paper is released and will provide an important opportunity for key NEM Network participants to meet face-to-face to discuss and plan advocacy around a pivotal issue in the development of the NEM.
- Two telephone conferences have been held this year, in January 2005 and in March 2005. The next telephone conference will take place on [insert] July 2005.

NEMCHAT, the online email group set up to assist NEM Network members to communicate in relation to the MCE reform process, has continued to be used by NEM Network members to update other NEM Network members on outcomes of a number of MCE consultations.

In addition to the ongoing communication with existing NEM Network members, the Project Coordinator participated in events to increase the external profile of the Project.

- The Project Coordinator was a speaker at an international metering conference, *Metering, Billing and CRM/CIS Australia/New Zealand 2005 Conference & Exhibition*, which took place in Melbourne on March 15 - 17, 2005. The Project Coordinator presented on *The Impacts of the Electricity Reforms on End-Use Customers* and was part of the session - *Optimising your Customer Management Strategy* on Thursday 17 March 2005. The conference provided exposure to the Project and also provided a networking opportunity with international researchers including Dr Philip Lewis from the University of Vaasa in Finland, and industry participants such as metering software engineers, including Paul Grey of Peace Software, New Zealand. These contacts will be a useful link to international research and information.
- The Project Coordinator attended the *Climate Conference* in Melbourne on 6 April 2005 and spoke with a number of conference participants to develop the local profile of the Project and the NEM Network.
- The Project Coordinator attended the EUAA *Energy Price and Market Update Seminar* held in Melbourne on 1 June 2005 to build relationships with relevant stakeholders.

2.2 Education

The fifth edition of *On the Wire*, the first for the reporting period, was distributed to the NEM Network on 4 April 2005 (copy attached). *On the Wire* updates NEM Network members on the activities of members and in this way contributes to the educational development and building of capacity of the NEM Network. The Project Coordinator assists writers with their contributions and ensures that the contributions are of a high quality and consist of timely and relevant information. The sixth edition is currently being finalised and will be provided to the NEM Network at the end of July.

A training workshop was held in Brisbane on 13 May 2005. The Project Coordinator provided a one-hour introductory session on the NEM regulatory framework and an explanation of how the wholesale market operates. The Project Coordinator invited the following presenters to speak at the training day:

- Andrew Olds - Department of Energy;
- John Jones - Energy Consumer Protection Office;
- Matt Rogers - Queensland Competition Authority;
- Helen Poropat - Ergon Service Quality Manager;
- Simone Watson - Centre for Credit and Consumer Law; and
- Stephanie Long - Friends of the Earth.

The Brisbane training program was designed to provide advocates with the basic principles to enable them to input into NEM debates. The following issues were addressed:

- consumers' rights in relation to retailing and distribution of electricity in Queensland;
- how prices are set;
- how Queensland fits within national energy regulation and policy reform;
- what the national electricity market means for Queensland consumers; and
- the environmental challenges that arise in relation to energy and the NEM.

There were thirteen attendees at the training day, including financial counsellors, environmental and consumer advocates. The feedback provided has been extremely positive with all attendees commenting

that the training session was well organised and that the content provided an excellent basis for further knowledge building.

2.3 Advocacy

Now in its second year, the Project has proved to be successful in increasing collaboration around community sector responses to NEM policy and regulatory debates, including via written submissions. Two written submissions have been completed in the reporting period.

In March 2005, the MCE released a consultation paper and research report by KPMG asking for submissions on four proposed Options for future consumer advocacy arrangement. The Project responded with a submission on behalf of a number of organisations participating in the NEM Network (**Joint Submission**) (attached). The Joint Submission was planned during a bi-monthly telephone conference. The CLCV was assisted by the Consumer Utilities Advocacy Centre and the Public Interest Advocacy Centre to write the Joint Submission. The CLCV then gathered input and feedback from other NEM Network members and worked on revisions to the Joint Submission to ensure all NEM Network member views were accommodated. The Joint Submission can be found on the MCE website at:

<http://www.mce.gov.au/index.cfm?event=object.showContent&objectID=BED7E519-65BF-4956-B50D63D1D15E85F0>.

The second submission was in response to the Victorian Government's Issues Paper on the Victorian cross-ownership rules for energy. The Project Coordinator canvassed the relevant issues with other NEM Network members and provided a submission on behalf of the CLCV. As a result of the communication achieved through the Project, the NEM Network members that provided submissions in relation to the Issues Paper were in agreement. The CLCV submission provided that energy specific merger rules were appropriate, primarily based on the ineffectiveness of the *Trade Practices Act 1975* (Cth) to deal with energy sector merger cases because of its focus on market share. The CLCV submission also argued that energy specific merger rules should be applied to inform a qualitative decision by an independent regulator. The submission (attached) can be found at:

<http://www.doi.vic.gov.au/DOI/Internet/Energy.nsf/AllDocs/78B362E794C6EBB2CA256FAC000F413F?OpenDocument>.

3. Reporting

A final Progress Report will be provided at the completion of the Project on 23 December 2005.

The financial report for the reporting period is for the period 14 January 2005 to 30 June 2005 and is attached (Finance Report 5)

Minter Ellison continued to provide in-kind contributions, in the form of graphic formatting of fifth edition of *One the Wire*, the NEM Network newsletter, increasing the value of the Project.

We note that the Project Coordinator, Natasha Leigh, has resigned from the CLCV to take up a position as in-house legal counsel with NEMMCO. We are currently advertising for a new Project Coordinator.